

ABSTRACT

Various embodiments of the present invention relate to methods and systems for analyzing a capital structure for a company (e.g., a public corporation). More particularly, one embodiment of the present invention relates to a decision making tool for analyzing a company's capital structure, which decision making tool may include: (1) Economic EPS, wherein Economic EPS and its volatility may capture the cost/risk trade-off of all fixed income and equity-related alternative capital structures; and (2) Capital Structure Efficient Frontier, wherein a company should strive to bring its capital structure to the efficient frontier of strategies with the highest EPS for given levels of EPS risk. Of note, the Economic EPS and the Capital Structure Efficient Frontier methodologies of the present invention provide a unifying framework in which to analyze a company's capital structure (e.g., for identifying and implementing the economically optimal solutions to a company's capital structure challenges). Apart from the global view of the company's capital structure, this framework can be used as a decision-making tool for analyzing and comparing specific restructuring transactions (including, but not limited to): new financing, share repurchase, liability management, bank capital optimization, and/or tax-driven hybrid equity issuance.